

GOP.gov

HOUSE REPUBLICAN CONFERENCE

J.C. WATTS, JR.  
CHAIRMAN  
4<sup>th</sup> District, Oklahoma

*Reforming Washington  
Securing America's Future*

FloorPrep  
Legislative Digest

Wednesday, July 19, 2000

*The House will meet at 10:00 a.m. for Legislative Business*

[A vote on H.R. 2634, postponed yesterday, will be taken early today]

*Anticipated Floor Action:*

**H.R. 1102—Comprehensive Retirement Security and Pension Reform Act**

**H.R. 4576—FY 2001 Department of Defense Appropriations Act  
(Conference Report)**

**H.R. 4118—Russian-American Trust and Cooperation Act of 2000**



**Bills Subject to a Rule**

**H.R. 1102—Comprehensive Retirement Security and Pension Reform Act of 2000**

**Floor Situation:** The House is scheduled to consider H.R. 1102 on Wednesday, July 19, 2000. On Tuesday evening, July 18, the Rules Committee granted a modified closed rule that provides for an amendment *in lieu* of that recommended by the Committee on Education and the Workforce now printed in the bill--the text of H.R. 4843 as reported by the Committee on Ways and Means which shall be considered as adopted. The rule waives all points of order against consideration of the bill and provides one hour of debate equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. The also provides for the consideration of the amendment printed in the Rules Committee report, if offered by Mr. Rangel or his designee, which shall be considered as read and shall be separately debated for one hour equally divided and controlled by the proponent and opponent. All points of order are waived against the amendment printed in the report and one motion to recommit, with or without instructions is in order.

**Rangel Amendment in the nature of a substitute.** Incorporates the text of H.R. 4843, as

reported with the following additional provisions: (1) Provides a refundable credit for low- and middle-income workers who save for their retirement; (2) makes small business employees eligible to claim a credit or certain expenses incurred as a result of establishing a qualified pension plan and makes small business employees eligible to claim an additional credit equal to 50% of certain employer contributions made to the employer's pension plan; (3) provides relief from certain section 415 rules and benefit limits; and (4) expresses a Sense of Congress that issues concerning cash balance plans should be resolved. (60 Minutes)

H.R. 1102, as amended by the text of H.R. 4843, broadens the benefits under worker retirement plans such as 401(k), pension and IRA plans. The bill makes the following changes to current retirement provisions:

### **Provisions:**

**IRAs.** The current IRA contribution limit of \$2,000 a year is increased to \$5,000. This increase is phased in, \$1,000 a year, over three years beginning in 2001 and ending in 2003 at which time the contribution limit would be \$5,000 a year. Additionally, the contribution limits are indexed to inflation. (The current \$2,000 contribution limit has not been increased since 1981).

Taxpayers that are 50 and older are allowed to contribute up to \$5,000 a year beginning immediately in 2001, allowing these older Americans to make “catch up” contributions for retirement.

**Pension Reform.** The bill contains over 50 provisions designed to improve retirement security (generally the same package that was included in H.R. 2488, the Taxpayer Refund and Relief Act of 1999, and H.R. 3081, the Small Business Tax Fairness Act of 2000). The package permits:

- \* Increased contribution and benefit limits in tax-favored retirement plans
- \* Additional salary reduction “catch up” contributions for workers age 50 and over
- \* Reduced vesting requirements for employer matching contributions
- \* Increased portability of retirement plan assets making it easier for employees to roll over assets when they change jobs
- \* A simplified pension system to encourage small businesses to offer pension plans
- \* \$5,000 “catch-up” contributions to 401(k) plans
- \* Phased-in increases in the limit on salary reduction contributions to 401(k) plans reaching \$15,000 in 2005
- \* Raising the limit on deductions to certain types of defined contribution plans to 20% of compensation

The committee estimated that the bill will reduce federal revenues by \$16.1 billion over five years. The bill was introduced by Mr. Archer on July 13, 2000 and was reported by the Committee on Ways and Means on July 17, 2000 by a vote of 27 to 9.



## **H.R. 4576—FY 2001 Department of Defense Appropriations Act (Conference Report)**

**Floor Situation:** The House is scheduled to consider the conference report to H.R. 4576 on Wednesday, July 19, 2000. Conference reports are privileged and may be considered anytime three days after they are filed; they are debatable for one hour and may not be amended. Yesterday, the Rules Committee granted a rule waiving all points of order against the conference report and its consideration.

**Conference Highlights:** The conference report to H.R. 4576 appropriates \$287.8 billion in new FY 2001 budget authority—\$707 million less than the House-passed bill, \$18.2 billion more than the FY 2000 level and \$3.3 billion more than the president's request—to sustain military personnel, develop and purchase military hardware, and maintain the operational readiness of U.S. forces. Overall, the conference report appropriates: (1) \$75.8 billion for military personnel (\$56 million less than the House-passed level); (2) \$100.1 billion for operations and maintenance and working capital funds (\$2.2 billion more than the House-passed bill); (3) \$59.2 billion for weapons procurement (\$2.3 billion less than the House-passed bill); (4) \$41.4 billion for research and development (\$1.2 billion more than the House-passed bill); and (5) \$14.1 billion for other DOD programs (\$85 million more than the House-passed bill).

In addition to funding DOD programs, the conference report also provides (1) small, unclassified amounts for the CIA retirement fund and intelligence community management; (2) classified amounts for national foreign intelligence activities administered by the CIA and other agencies including DOD; and (3) small amounts for other agencies.

The conference report does not make appropriations for military construction, military family housing, civil defense, or nuclear activities, which are funded in other bills. Specifically, the bill provides:

- \* a 3.7 percent military pay raise (matching the House-passed level);
- \* \$2.8 billion for 42 F-18E/F fighters (\$43 million less than the House-passed bill);
- \* \$4 billion for the F-22 program (procurement and R&D), the next generation air dominance fighter, matching the House-passed request. Specifically, this appropriation includes funds to purchase 10 aircraft (\$2.1 billion) and \$1.4 billion for R&D;
- \* \$689 million (\$17 million less than the House-passed level) for the Joint Strike Fighter and a three-month delay in beginning the EMD phase;
- \* \$1.5 billion for 20 V-22 Osprey aircraft (matching the House-passed level);
- \* \$1.2 billion (matching the House-passed level) for a New Attack Submarine—*Virginia* class;

- \* \$4.1 billion for one new aircraft carrier (CVN-77), equaling the House-passed level;
- \* \$1.6 billion, roughly \$300 million less than the House-passed level, to assist the Army in transforming itself into a more mobile and technologically advanced force;
- \* \$4.7 billion, roughly \$100 million more than the House-passed bill, for programs managed by the Ballistic Missile Defense Organization such as National Missiles Defense (\$1.9 billion), Theater High-Altitude Air Defense (\$550 million), Navy Theater Wide (\$462 million), Navy Area Defense (\$274 million), and PAC-3 systems (\$446 million);
- \* \$12.1 billion for the Defense Health Program, \$25 million less than the House-passed level, including \$175 million for breast cancer research (\$25 million more than the House-passed bill) and \$100 million prostate cancer research (\$25 million more than the House-passed bill);
- \* \$927 million for chemical agents and munitions destruction (\$53 million more than the House-passed level);
- \* \$869 million for DOD drug interdiction activities (\$57 million more than the House-passed level).

### **Major Changes from the House-Passed Bill:**

**Creation of the National Defense Airlift Fund.** This new account will have \$2.8 billion appropriated for the creation of the National Defense Airlift Fund. Specifically, \$2.2 billion for 12 C-17 transport aircraft, \$258 million for advanced procurement for C-17s, and \$412 million for C-17 ICS. The House-passed bill passed the roughly the same amount in the Air Force-Aircraft Procurement account.

**FY 2000 Emergency Supplemental Funding.** The measure appropriates \$1.8 billion in emergency funding. Of the emergency appropriation, \$1.1 billion will go to continue funding operations in the Balkan and Iraqi theaters of operations. Additionally, \$679 million will be made available to various underfunded readiness accounts. Of note, (1) \$50 million for the Navy's personnel account, (2) \$529 million for depot-level maintenance and repair accounts and other service O&M accounts; and (3) \$100 million for the Defense Health Program.

**Amphibious Ships.** The conference agreement includes \$460 million for one amphibious assault ship (LHD-8), the House did not provide any funding. Also, the conference report does not appropriate any funds for LPD-17 for the next fiscal year, the House-passed bill appropriated \$1.5 billion. However, the conference report does include \$561 million for advanced procurement of two LPD ships.

**Air Force F-16s.** The conference report appropriates \$122 million for four F-16 fighter-jets, the House did not request any funds.

**Legislative History:** The House passed H.R. 4576 on June 7, 2000, by a vote of 367-58. The Senate passed its version of the measure (S. 2593) on June 13, 2000, by a vote of 95-3.

**Additional Information:** To see how H.R. 4576 passed the House see *Legislative Digest* Vol. XXIX, #15, June 5, 2000.

## **H. R. 4118—Russian-American Trust and Cooperation Act of 2000**

**Floor Situation:** The House is scheduled to consider H.R. 4118 on Wednesday, July 19, 2000. On Tuesday evening, July 18, the Rules committee granted a modified closed rule providing one hour of general debate equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. The rule makes in order an amendment in the nature of a substitute printed in the *Congressional Record*, if offered by Representative Gejdenson or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent. Finally, the rule provides one motion to recommit, with or without instructions.

**Summary:** H.R. 4118 prohibits the rescheduling or forgiveness of any outstanding bilateral debt owed to the United States by the Government of the Russian Federation until the President certifies to the Congress that the Government of the Russian Federation has ceased all its operations, removed all personnel from, and permanently closed the intelligence facility at Lourdes, Cuba. An amendment was adopted in committee which gives the president the authority to “waive the ban” if he feels it is in the interests of the United States to do so. The Committee on International Relations reported the bill by voice vote on June 12, 2000.

### **Amendments:**

**Mr. Gejdenson** may offer a substitute amendment that strikes the section in the bill which gives the president waiver authority in matters of national security. At press time, the amendment had not been filed for printing in the *Congressional Record*.



To subscribe to this publication via e-mail, please send an e-mail to [LegDigest@mail.house.gov](mailto:LegDigest@mail.house.gov) and type subscribe.

---

Eric Hultman: *Managing Editor*

Brendan Shields: *Senior Legislative Analyst*

Courtney Haller, Jennifer Lord  
& Greg Mesack: *Legislative Analysts*

Tel. 202-226-2302

**Legislative Digest**

**FloorPrep**